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## OLR Bill Analysis

### SB 926

#### ***AN ACT CONCERNING AN INCREASE IN PENALTIES DUE TO FALSE OR MISLEADING DECLARATIONS, STATEMENTS OR REPRESENTATIONS.***

#### **SUMMARY:**

This bill increases the penalty, from 10% to 15%, on employers who willfully fail to declare payment of wages in order to avoid paying unemployment taxes or benefits. The 10% penalty under current law applies only to the employer's past due contributions; however, the bill's 15% penalty applies to contributions due during the entire period the employer willfully failed to declare the wages. It is unclear if this new penalty is based solely on the unpaid contributions or on all contributions due (paid and unpaid) during the nonpayment period. But it appears to broaden the penalty base by using all contributions due during the nonpayment period.

EFFECTIVE DATE: January 1, 2014

#### **COMMITTEE ACTION**

Labor and Public Employees Committee

Joint Favorable

Yea 7      Nay 4      (03/07/2013)